

IN THE HIGH COURT OF JUDICIATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX REFERENCE NO.918 OF 1998

The Commissioner of Income-tax,
Bombay City V, Bombay .. Applicant.
V/s.

M/s.Voras Exclusive Tools
Pvt. Ltd., Bombay .. Respondent.

Mr.Parag Vyas with Mr.Ashok Kotangale & Mr.A.S. Rao
for the applicant.

CORAM : V.C. DAGA &
J.P. DEVADHAR, JJ.
DATED : 18TH OCTOBER, 2005.

P.C. :

1. Heard the learned counsel for the applicant.
The Tribunal has referred following question for the
opinion of this Court reading as under :-

Whether in the facts and in the circumstances
of the case, the Tribunal was right in law in
holding that the disallowance out of
expenditure incurred on salary & perquisites to
employee-directors should be made under the
provisions of section 40(c) of the I.T. Act,
1961 and not under section 40A(5) of the Act ?

2. The learned counsel for the applicant-revenue
fairly submits that the above question has already
been answered by the Division Bench of this Court in
the case of CIT V/s. Hico Products P. Ltd. (No.1)
[(1993) 201 ITR 567 (Bom)] in favour of the assessee
and against the revenue. In this view of the matter,
question stands answered in affirmative for the
reasons stated in the case cited supra. Reference,
accordingly stands disposed of with no order as to
costs.

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